

Message Text

LIMITED OFFICIAL USE

PAGE 01 SAN JO 01880 171929Z

50

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 PA-04 PRS-01 USIA-15 AID-20

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-02 LAB-06 SIL-01

OMB-01 DRC-01 STR-08 /146 W
----- 064386

P R 171830Z MAY 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 7048

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY TEGUCIGALPA

AMEMBASSY QUITO

AMCONSUL GUAYAQUIL

LIMITED OFFICIAL USE SAN JOSE 1880

E.O. 11652: GDS

TAGS: ETRD, CS

SUBJECT: BANANA EXPORTING COUNTRIES COME TO APPARENT IMPASSE

REF: (A) SAN JOSE 1824; (B) QUITO 3273

1. SUMMARY: ACCORDING TO A LOCAL PRESS ACCOUNT THE
ATTEMPT TO SET UP A UNION OF BANANA EXPORTING
COUNTRIES (UPEB) HAS COME TO A TEMPORARY IMPASSE
BECAUSE OF ECUADOR'S FAILURE TO PARTICIPATE IN
CURRENT DISCUSSIONS. ANOTHER MEETING OF EXPORTING
COUNTRIES WILL BE HELD BEFORE MAY 31. IN THE MEANTIME
THE STANDARD FRUIT COMPANY HAS BEEN IDENTIFIED
AS THE FOCAL POINT OF OPPOSITION TO THE EFFORTS OF
THE EXPORTING COUNTRIES TO RAISE BANANA PRICES. END SUMMARY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAN JO 01880 171929Z

2. ACCORDING TO THIS MORNING'S LA NACION THE ATTEMPT TO CREATE A UNION OF BANANA EXPORTING COUNTRIES (UPEB) HAS, AT LEAST FOR THE TIME BEING, MET WITH FAILURE. ANOTHER MEETING AIMED AT SETTING UP UPEB WILL BE HELD, PROBABLY IN PANAMA OR QUITO, BEFORE MAY 31.

3. THE MAIN OBSTACLE TO THE CREATION OF UPEB APPEARS TO BE THE LACK OF COOPERATION ON THE PART OF ECUADOR. ECUADOR HAS NOT YET SENT A REPRESENTATIVE TO THE CURRENT MEETING OF BANANA EXPORTING COUNTRIES WHICH COMMENCED IN SAN JOSE ON MAY 15 AND IS DUE TO END TODAY. THE MORNING DAILY LA REPUBLICA IS STILL HOLDING OUT THE POSSIBILITY THAT AN ECUADORIAN REPRESENTATIVE FAVORABLE TO UPEB'S CREATION WILL ARRIVE TODAY. THE LA REPUBLICA ACCOUNT CITES A RUMOR THAT EX-MINISTER OF ECONOMY ROSALES WAS FORCED TO RESIGN BECAUSE OF OPPOSITION TO UPEB AND THAT HIS SUCCESSOR, ALEJANDRO RUBIO, FAVORS THE CREATION OF UPEB. NICARAGUA AND GUATEMALA HAVE ALSO BEEN DRAGGING THEIR HEELS ON BOTH THE CREATION OF UPEB AND THE IMPOSITION OF AN EXPORT TAX ON BANANAS. LIKE ECUADOR, GUATEMALA IS NOT REPRESENTED AT THE CURRENT MEETING.

4. ACCORDING TO THE LA NACION ACCOUNT THE ACTUAL STATUS OF THE BANANA EXPORT TAX IN THE EXPORTING COUNTRIES IS AS FOLLOWS:

COUNTRY	NET TAX REVENUE	DATE TAX EFFECTED
PANAMA	\$1.00	1 MONTH AGO
COSTA RICA	.50	2 WEEKS AGO
HONDURAS	.50	3 WEEKS AGO
COLOMBIA	.40	2 WEEKS AGO
ECUADOR	-	-
NICARAGUA	-	-
GUATEMALA	-	TAX BEING DISCUSSED IN LEGISLATURE

5. TODAY'S LA NACION ACCOUNT STATES THAT THE ACTIONS OF THE STANDARD FRUIT COMPANY IN OPPOSITION TO THE BANANA EXPORT TAX WERE DENOUNCED AT YESTERDAY'S MEETING. IN A PARALLEL MOVE, THE COSTA RICAN NATIONAL ASSEMBLY PASSED A UNANIMOUS RESOLUTION IN SUPPORT OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SAN JO 01880 171929Z

THE EFFORTS OF THE PRODUCING COUNTRIES TO IMPROVE BANANA PRICES. AT THE SAME TIME, THE ASSEMBLY CONDEMNED THE STANDARD FRUIT COMPANY FOR ITS ACTIONS "IN OPPOSING THE (GOVERNMENT'S) POLICY OF JUST PRICES, USING RESOURCES AND PROCEDURES WHICH ARE INCOMPATIBLE WITH THE NATIONAL SOVEREIGNTY (OF COSTA RICA)." ACCORDING TO LA NACION, THE ASSEMBLY RESOLUTION GOES ON TO EXHORT THE EXECUTIVE BRANCH TO TAKE WHATEVER STEPS

ARE JUSTIFIED IN REACTION TO THE POSITION OF STANDARD FRUIT.

6. IN WHAT IS APPARENTLY DESIGNED TO BE A FOLLOW-ON TO THE CURRENT GOVERNMENTAL LEVEL MEETING, PRIVATE BANANA PRODUCERS PLAN TO MEET IN SAN JOSE MAY 20 TO MAY 23. THEY WILL DISCUSS THE CREATION OF A FEDERATION OF LATIN AMERICAN BANANA PRODUCERS TO DEFEND PRODUCERS' RIGHTS IN COLLABORATION WITH UPEB. ACCORDING TO THE PRESS, ECUADORIAN PRODUCERS, ALONG WITH PRODUCERS FROM PANAMA, COSTA RICA, GUATEMALA AND HONDURAS, WILL BE REPRESENTED AT NEXT WEEK'S MEETING.

7. COMMENT: EVENTS NOW LOOK AS IF THEY ARE HEADED ON A COLLISION COURSE WITH STANDARD RIGHT IN THE MIDDLE. IT IS EXTREMELY DOUBTFUL IF UPEB CAN COME INTO EXISTENCE WITHOUT THE COOPERATION OF ECUADOR. AT THE SAME TIME THE COSTA RICAN GOVERNMENT HAS CLEARLY COMMITTED ITSELF TO GOING THROUGH WITH THE EXPORT TAX AND IT IS NOT CLEAR JUST HOW THE GOCR COULD BACK OFF AT THIS POINT. EMBASSY OFFS PLAN TO CONTACT KNOWLEDGEABLE OFFICIALS EITHER TODAY OR MONDAY AND WILL FOLLOW UP WITH THEIR ASSESSMENT OF CURRENT MEETING AND PREDICTIONS FOR FUTURE COURSES OF ACTION.

LANE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, CUSTOMS DUTIES, DATA, IMPORTS, BANANAS, EXPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANJO001880
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740123-0033
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740538/aaaabhpz.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) SAN JOSE 1824; (B) QUITO 3273
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by cunninfx>; APPROVED <24 FEB 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BANANA EXPORTING COUNTRIES COME TO APPARENT IMPASSE
TAGS: ETRD, CS, STANDARD FRUIT, UPEB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005